

Message Text

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ACTION IO-10

INFO OCT-01 EUR-12 ISO-00 AF-06 ARA-10 EA-09 NEA-10 ABF-01

TRSE-00 OMB-01 L-03 CIAE-00 INR-07 NSAE-00 (ISO) W

----- 071631

R 190207Z NOV 75

FM USMISSION USUN NY

TO SECSTATE WASHDC 4127

INFO USMISSION GENEVA

USMISSION VIENNA

UNCLAS USUN 6067

E.O. 11652: N/A

TAGS: AORG,UN, ABUD

SUBJECT: UN FIFTH COMMITTEE-1741ST MEETING, NOVEMBER 18, 1975

REF: USUN 5968

1. SUMMARY- DEBATE CONTINUED MORNING OF NOVEMBER 18 ON UN PENSION SYSTEM. STATEMENTS WERE MADE BY REPS OF BELGIUM, ARGENTINA, FRANCE, JAPAN, AND SAUDI ARABIA. COMMITTEE DISCUSSED FINANCIAL IMPLICATIONS OF DRAFT RESOLUTION RE COOPERATION BETWEEN UN AND OAU AND APPROVED APPROPRIATIONS OF \$47,500 UNDER SECTION 21 (OPI). END SUMMARY

2. DERRE (FRANCE) STATED HER GOVERNMENT WAS IN FAVOR OF EQUAL BENEFITS FOR WIDOWERS. SHE WAS HESITANT, HOWEVER, OVER EXTENSION OF SERVICE CREDIT TO 32 YEARS. SHE ASKED FOR INFORMATION ON PRACTICES OF OTHER GOVERNMENTS. REFERRING TO ADDITIONAL ADMINISTRATIVE COSTS, SHE STATED ADDITIONAL STAFF WERE NOT NECESSARY. SHE SHARED ACABQ'S VIEWS ON INVESTMENTS AND FELT IN ADDITION THAT A SPECIAL STUDY SHOULD BE MADE. SHE EXPRESSED CONCERN OVER LACK OF DIVERSIFICATION OF FUND AND LOSS SUSTAINED BY SALE OF STOCKS AND BONDS. SHE FELT PRESENT LEVEL OF CONTRIBUTIONS SHOULD BE MAINTAINED AT 21 PERCENT. SHE WELCOMED EFFORT TO COME UP WITH REVISED PENSION SYSTEM. AMBASSADOR BAROODY (SUADI ARABIA) MADE ONE HOUR LONG RAMBLING STATEMENT ON INVESTMENTS. PIRSON (BELGIUM)

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ASKED VARIOUS QUESTIONS CONCERNING MEMBERS OF PENSION FUND

AND INVESTMENTS. HE FELT NEW EFFORTS SHOULD BE MADE FOR MORE PRODUCTIVE USE OF INVESTMENTS, INCLUDING FURTHER DIVERSIFICATION OF FUND HOLDINGS. HE WAS IN FAVOR OF EQUAL BENEFITS FOR WIDOWERS. HE HAD RESERVATIONS OVER EXTENSION OF SERVICE CREDIT TO 32 YEARS. HE WAS CONCERNED OVER INCREASE IN ADMINISTRATIVE COSTS AND BROKERAGE COMMISSIONS. HE FELT LEVEL OF CONTRIBUTIONS BY STAFF AND UN MIGHT BE LOWERED. MOLTENI (ARGENTINA) EXPRESSED AGREEMENT WITH SUBSTANTIVE ASPECTS OF ACQBQ REPORT. HE EXPRESSED VIEW THAT INVESTMENTS EFFORT IN DEVELOPING COUNTRIES HAD BEEN MODEST. HE HOPED FOR AN INCREASE. HE URGED THAT ASIDE FROM BUYING BONDS IN DEVELOPMENT BANKS, DIRECT INVESTMENTS BE MADE IN DEVELOPING COUNTRIES. HE SUGGESTED ADDITION OF EXPERTS FROM DEVELOPING COUNTRIES ON INVESTMENTS COMMITTEE. FINALLY, HE STATED HIS GOVERNMENT WAS IN FAVOR OF INCLUDING JIU INSPECTORS IN FUND. AKASHI (JAPAN) HOPED FOR FUTURE DURABLE AND UNIFIED SCHEME ON PENSION ADJUSTMENTS. HE STRESSED EQUALITY OF TREATMENT OF ALL PENSIONERS, BUT STATED VIEW THAT NATIONAL TAX SYSTEMS SHOULD REMAIN OUTSIDE SCOPE OF FUND. HE SPOKE IN FAVOR OF EQUAL BENEFITS FOR WIDOWERS AND EXTENSION OF SERVICE CREDIT TO 32 YEARS. HE SAID NO SIGNIFICANT LIBERALIZATION OF BENEFITS SHOULD BE MADE UNLESS ACTUARILLY POSSIBLE. HE WAS ALSO CONCERNED ABOUT COSTS OF MAKING INVESTMENTS AND STATED CONTRACTUAL TERMS OF BROKERAGE AGREEMENTS SHOULD BE REVIEWED CONSTANTLY. HE STATED IT MIGHT BE A GOOD IDEA TO REVERT TO ONE INVESTMENTS FIRM RATHER THAN TWO. HE QUESTIONED VARIOUS CHANGES IN INVESTMENT PORTFOLIO, EXPRESSING VIEW THIS WAS REASON FOR LOSSES SUSTAINED BY FUND.

3. FINANCIAL DUPLICATIONS OF DRAFT RESOLUTION RE COOPERATION BETWEEN UN AND ORGANIZATION OF AFRICAN UNITY (OAU) A/C.5/1707/REV.2 AND A/10008/ADD.7. BEFORE DECISION, USSR DEL SAID THAT, WHILE PROGRAM DESERVES PRIORITY, MILLIONS ALREADY AVAILABLE IN OPI BUDGET SHOULD PERMIT ABSORPTION OF ITEM WITHOUT ADDITIONAL APPROPRIATION. COMMITTEE THEN APPROVED WITHOUT OBJECTION THE PROPOSAL OF ACQBQ THAT APPROPRIATION OF \$47,500 WOULD BE REQUIRED UNDER SECTION 21 (OPI) IF DRAFT RESOLUTION IS ADOPTED. AFTER DECISION, US, FRANCE, UK AND FRG SAID, IN EXPLANATIONS OF VOTE, THAT THEY WOULD HAVE AB-

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STAINED IF THERE HAD BEEN VOTE AND GAVE REASONS.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 19 NOV 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975USUNN06067
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750402-0738
From: USUN NEW YORK
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19751130/aaaabaww.tel
Line Count: 109
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION IO
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 75 USUN NEW YORK 5968
Review Action: RELEASED, APPROVED
Review Authority: izenbei0
Review Comment: n/a
Review Content Flags:
Review Date: 01 DEC 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <01 DEC 2003 by MaustMC>; APPROVED <22 JAN 2004 by izenbei0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: UN FIFTH COMMITTEE-1741ST MEETING, NOVEMBER 18, 1975
TAGS: AORG, ABUD, UN
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006